

MERCIFUL HEARTS
Charitable Incorporated Organisation

TRUSTEES' REPORT
AND
FINANCIAL STATEMENTS

FOR THE YEAR END
30 JUNE 2023



TRUSTEES' REPORT 3

INDEPENDENT EXAMINER'S REPORT..... 5

STATEMENT OF FINANCIAL ACTIVITIES 6

BALANCE SHEET 7

NOTES TO THE FINANCIAL STATEMENTS 8

The trustees present their report with the unaudited financial statements of the charity for the period ended 30 JUNE 2023.

Reference And Administrative Details

Charity No. 1189937

Principal Office:

Merciful Hearts
227a Alum Rock Road
Birmingham
B8 3BH

Website: www.merciful-hearts.org.uk

Email: info@merciful-hearts.org.uk

Trustees

The following trustees served during the year:

Mr Usamah Himdy
Mr Imran Masoom
Mr Osman Mukhtar

Accountants

Taxwise Accountancy
16 Titan Court
Laporte Way
Luton
LU4 8EF
Tel: 01582 487 594
Website: www.tax-wise.co.uk

Objectives And Activities

The alleviation of human suffering for those who are the victims of war or natural disaster. The prevention and/or relief of poverty by providing humanitarian assistance including food and medical aid.

Summary of the main activities include general charitable acts: the advancement of health or saving of lives and the prevention or relief of poverty. This is done through grants to individuals and organisations that in turn provide services such as equipment, food, clothing, infrastructure etc. Notable projects include medical aid, food, water and bread donation, as well as charitable payments of Islamic zakat.

All trustees are provided with access and guidance in terms of how to comply with the rules and laws of the Charity Commission, in various different aspects. The group regularly sit down to discuss policies, procedures and adherence to codes of conduct to make sure our aims in relieving poverty align with the edicts of the Charity Commission.

Achievements And Performance

The charity has been pivotal in creating, disseminating and organising various projects to aid refugees in Turkey. Primarily amongst them were projects for food packs designed to help a family over a prolonged period of time and bread programmes designed to provide a steady supply of bread as a staple food source. There were also water projects providing clean water and clothing/blanket drives designed to tackle hostile weather conditions as Winter set in. The impact this has had on beneficiaries is evident and wide reaching, families have been provided with food and clothing, alongside bread and clean water that has allowed them to sustain themselves, despite harsh living conditions. The food and water have provided health, good nutrition and steady food for otherwise hungry individuals and families.

Statement Of Trustees' Responsibilities In Relation To The Financial Statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the charity's trustees



Mr Usamah Himdy

Trustee

Date: 29th April 2024

Independent Examiner's Report to the trustees of Merciful Hearts I report to the trustees on my examination of the financial statements of Merciful Hearts for the period ended 30 JUNE 2023 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011('the Act'). The trustees consider that an audit is not required for this year under the Charities Act 2011, s.144(2) (the 2011 Act) and that an independent examination is needed.

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I can confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in, any material respect:

- the accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the applicable requirements concerning the form and content of the financial statements set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Mr Umber Khan, AFA, MIPA
The Institute of Financial Accountants (IFA)
Taxwise Accountancy
16 Titan Court
Laporte Way
Luton
LU4 8EF
Date: 29th April 2024

Recommended categories by activity	Notes	Unrestricted funds £	Restricted income funds £	Total Funds 2023 £	Total Funds 2022 £
Incoming resources					
Income and endowments from:					
Donations and legacies	2	9,800.00	20,331.00	30,131.00	45,405.00
Total		9,800.00	20,331.00	30,131.00	45,405.00
Resources expended					
Expenditure on:					
Raising funds	3	60.00	-	60.00	1,871.00
Charitable activities	4	200.00	30,600.00	30,800.00	20,860.00
Total		260.00	30,600.00	30,860.00	22,731.00
Net income/(expenditure) before investment gains/(losses)		9,540.00	(10,269.00)	(729.00)	22,674.00
Net income/(expenditure)		9,540.00	(10,269.00)	(729.00)	22,674.00
Net movement in funds		9,540.00	(10,269.00)	(729.00)	22,674.00
Reconciliation of funds:					
Total funds brought forward		16,514.00	6,160.00	22,674.00	-
Total funds carried forward		26,054.00	(4,109.00)	21,945.00	22,674.00

Recommended categories by activity	Notes	Unrestricted funds £	Total Funds 2023 £	Total Funds 2022 £
Current assets				
Cash at bank and in hand	6	26,854.00	22,745.00	23,274.00
Total current assets		26,854.00	22,745.00	23,274.00
Creditors: amounts falling due within one year	7	800.00	800.00	600.00
Net current assets/(liabilities)		26,054.00	21,945.00	22,674.00
Total assets less current liabilities		26,054.00	21,945.00	22,674.00
Total net assets or liabilities		26,054.00	21,945.00	22,674.00
Funds of the Charity				
Unrestricted funds	8	26,054.00	26,054.00	16,514.00
Restricted income funds	8		(4,109.00)	6,160.00
Endowment funds	8		-	-
Total funds		26,054.00	21,945.00	22,674.00

The financial statements were approved by the Board on 29-Apr-2024 and signed on its behalf by:


 A handwritten signature in black ink, appearing to be "U. Himdy".

Mr Usamah Himdy
Trustee

1 Accounting Policies

1.1 Accounting Policies

The principal accounting policies adopted by the Charity, which is a public benefit entity, in the preparation of the accounts are as follows.

1.2 Basis of preparation

These accounts have been prepared under the historical cost convention, as modified by the inclusion of charitable properties and fixed asset investments and investment properties at valuation.

These accounts have been prepared in accordance with “Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)” (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

These accounts are presented in pounds sterling and rounded to the nearest pound.

1.3 Going concern

The Trustees have prepared financial projections, taking into consideration the current economic conditions and have, at the time of approving these accounts, a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the accounts.

1.4 Income from donations or grants

Income from donations and grants is recognised when the charity is entitled to the funds, the receipt is probable and the amount can be measured reliably. For donations, this is usually on receipt. For grants, this is usually when a formal offer is made in writing. If a donation or grant contains terms and conditions outside of the charity’s control which must be met before the charity is entitled to the funds, or if the donor specifies that the funds must be used in future time periods, then the income is deferred.

1.5 Income from charitable activities

Income from charitable activities is recognised over the period to which the income relates. Rent is recognised over the period to which it relates. Any amounts relating to future periods are deferred.

1.6 Expenditure

Expenditure is recognised when a present legal or constructive obligation exists at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be estimated reliably. It is inclusive of VAT which cannot be recovered.

Direct costs are those costs which directly attribute to its activities. Wages and salaries are allocated to direct costs based on an estimate of time spent on charitable activities by staff members.

Support costs include staff costs and are those which do not produce a direct output. Staff costs relate to specific activities and this is reflected in the allocation of payroll costs based on the percentage of time spent.

All costs, including governance costs, are allocated between the expenditure categories of the charity on a basis designed to reflect the use of the resource. Costs relating to a particular activity are charged directly; others are apportioned on an appropriate basis.

Support costs and overheads have been calculated by allocating staff time to the level of involvement in the various activities of the Charity.

1.7 Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

1.8 Fund accounting

Unrestricted funds are those funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

2 Income from Donations and Legacies

	Unrestricted funds	Restricted income funds	Endowment funds	Total funds 2023	Total funds 2022
Analysis	£	£	£	£	£
Donation and gifts	9,800.00	20,331.00	-	30,131.00	45,405.00
	9,800.00	20,331.00	-	30,131.00	45,405.00

3 Expenditure on Raising Funds

	Total funds 2023	Total funds 2022
Analysis	£	£
Advertising, marketing, direct mail and publicity	60.00	1,871.00
	60.00	1,871.00

4 Expenditure on Charitable Activities

	Total funds 2023	Total funds 2022
Analysis	£	£
Food Parcels Donations & Distribution	7,905.00	5,756.00
Qurbani Donations & Distribution	-	2,435.00
Zakat Donations & Distribution	22,695.00	12,069.00
Support Costs	200.00	600.00
	30,800.00	20,860.00

5 Support Costs

	Total funds 2023	Total funds 2022
Analysis	£	£
Governance Costs		
Accountants' fees	200.00	600.00
	200.00	600.00

6 Cash at bank and in hand

	Total funds 2023	Total funds 2022
	£	£
Cash at bank and on hand	22,745.00	23,274.00
	22,745.00	23,274.00

7 Creditors: Amounts falling due within one year

	Total funds 2023	Total funds 2022
	£	£
Accruals and deferred income	800.00	600.00
	800.00	600.00

8 Charity funds

8.1 Details of material funds held and movements during the CURRENT reporting period

Fund names	Fund balances brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
	£	£	£	£	£	£
Unrestricted funds						
Unrestricted Donation	16,514.00	9,800.00	(260.00)	-	-	26,054.00
Restricted income funds						
Restricted Donation	6,160.00	20,331.00	(30,600.00)	-	-	(4,109.00)
Total	22,674.00	30,131.00	(30,860.00)	-	-	21,945.00

8.2 Details of material funds held and movements during the PREVIOUS reporting period

Fund names	Fund balances brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
	£	£	£	£	£	£
Unrestricted funds						
Unrestricted Donation	-	18,985.00	(2,471.00)	-	-	16,514.00
Restricted income funds						
Restricted Donation	-	26,420.00	(20,260.00)	-	-	6,160.00
Total	-	45,405.00	(22,731.00)	-	-	22,674.00